

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

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Transferring Bound Printed Matter  
Parcels to the Competitive Product List

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Docket No. MC2021-78

SURREPLY COMMENTS OF PARCEL SHIPPERS  
ASSOCIATION  
(September 8, 2021)

Parcel Shippers Association (PSA) agrees with the United States Postal Service (Postal Service) that a partial transfer of the Bound Printed Matter (BPM) Parcels product to the competitive product category is inappropriate. See Responses of the United States Postal Service to Commission Information Request No. 1 (September 2, 2021)(Response) at 9. As our May 17 Comments made clear, the proposed transfer should be rejected in its entirety. See Comments of the Parcel Shippers Association (May 17, 2021)(PSA Comments) at 2. The Postal Service's Responses to CIR 1 provide substantial further support for denying the Postal Service request.

In its Response, the Postal Service estimates that “**more than half** of BPM Parcels volume is sent in packaging other than cardboard boxes” (emphasis added) and thus, if shipped using UPS or FedEx Ground, would be subject to additional handling charges. Response at 3 and 4. The published additional handling charges referenced by the Postal Service are \$14-\$16 (depending on zone) for UPS and \$14 for FedEx. See 2021 UPS Rate and Service Guide, July 11, 2021, at 124; FedEx Service Guide, January 4, 2021, at 100. Even if shippers were able to obtain 20 to 25 percent discounts on these surcharges (as suggested by a website referenced in the Postal Service's

Response),<sup>1</sup> the surcharges would still exceed \$10, which by itself is about ten times the average revenue per piece of BPM Parcels.

This newly-provided information on the containerization of the BPM Parcels product and the applicability of UPS and FedEx additional handling surcharges to the majority of BPM Parcels means that the price differentials between BPM Parcels and products identified by the Postal Service as being offered by competitors (UPS and FedEx Ground)<sup>2</sup> are greater even than the differences PSA previously identified.<sup>3</sup> The Postal Service request must be denied because the Postal Service exercises sufficient market power that it can effectively set the price of BPM Parcels substantially above costs, raise prices significantly, decrease quality, or decrease output, without risk of losing a significant level of business to other firms offering similar products.<sup>4</sup>

Respectfully submitted,

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<sup>1</sup> See Reponse at 4.

<sup>2</sup> See United States Postal Service Request to Transfer Bound Printed Matter Parcels to the Competitive Product List (March 26, 2021) at 6-7.

<sup>3</sup> See PSA Comments at 12-16.

<sup>4</sup> See PSA Comments at 2 citing 39 U.S.C. § 3642(b)(1).